Manitou: 2017 Half-year results

- **H1 2017 revenues of €805m, +17% vs. H1 2016, + 15% like for like**
- **Q2 order intakes on equipment of €408m, vs. €276m in Q2 2016, amplified by the end of the special amortization allowance law in France**
- **End of Q2 order book at €506m, vs. €304m in Q2 2016, €55m of which deliverable after 2017**
- **Recurring operating income at €48m (6,0% of sales), vs. €39m (5,6% of sales) in H1 2016**
- **EBITDA[1] at €62m (7,7% of sales) vs. €53m (7,7% of sales) in H1 2016**
- **Net income group part of €30m vs. €23m in H1 2016**
- **Outlook for increase of sales now estimated above 15%**
- **Outlook for an improved recurring operating income rate for 2017 now estimated between 70 and 100 basis points**

Ancenis, 27 July 2017 – The board of directors of Manitou BF, meeting on this day, closed the accounts for the first half of 2017. Michel Denis, President and Chief Executive Officer, stated: "*The group has returned excellent half-yearly results, with strong sales growth due to a general acceleration in market activity, especially among rental companies, and the strengthening of our market share thanks to the acknowledged performance of our products and services, and the expanded range. Order intakes were up in most markets, and this was amplified in France as the deadline for benefiting from the special amortization allowance law was reached in April, as a result of which we received a large number of orders. Our orderbook reaches record levels, and fulfilment of them will extend beyond 2017.*
From an operational point of view, all of our production sites ramped up quickly, after substantial efforts and adaptation. We also saw a gradual rise in the price of raw materials and components.
I am also delighted with the acceleration in the activity of the Services & Solutions division which, after three years' hard work, is beginning to benefit from the efforts made, and the fantastic acceleration in the MHA division's sales. Our efforts are now set to focus on strengthening the CEP division, where important work has begun on the integration of our acquisition in India, at the same time as work on improving operational performance."

In millions of €	**MHA H1'16**	**CEP H1'16**	**S&S H1'16**	**Total H1'16**	**MHA H1'17**	**CEP H1'17**	**S&S H1'17**	**Total H1'17**	**Var.**
Net sales	475,1	103,2	111,0	689,3	563,0	117,1	124,9	805,0	+17%
Sales margin	75,4	11,1	26,4	112,8	82,7	12,3	32,9	127,8	+13%
Sales margin as a % of sales	15,9%	10,7%	23,8%	16,4%	14,7%	10,5%	26,3%	15,9%	
Recurring OI	**35,8**	**-2,6**	**5,4**	**38,6**	**39,5**	**-2,2**	**10,7**	**48,0**	**+24%**
Recurring OI as a % of sales	**7,5%**	**-2,5%**	**4,8%**	**5,6%**	**7,0%**	**-1,9%**	**8,6%**	**6,0%**	
OP.	35,1	-2,6	5,2	37,7	38,3	-2,8	10,3	45,9	+22%
Net income attributable to the group	n/a	n/a	n/a	22,8	n/a	n/a	n/a	30,0	+32%
Net debt				92,4				95,7	+4%
Shareholder's equity				494,4				511,5	+3%
% Gearing [2]				19%				19%	
Working capital				446				441	-1%

Auditing procedures performed

[1] *EBITDA: Earnings before interest, taxes, depreciation, and amortization*

[2] *Gearing : Financial ratio measuring the net debt divided by shareholders' equity.*

Sales trend

Sales by division

In million of euros	Quarter			Half-year		
	Q2 2016	Q2 2017	%	H1 2016	H1 2017	%
MHA	258	303	17%	475	563	18%
CEP	62	60	-4%	103	117	13%
S&S	57	62	8%	111	125	13%
Total	**377**	**425**	**13%**	**689**	**805**	**17%**

Sales by region

In million of euros	Quarter			Half-year		
	Q2 2016	Q2 2017	%	H1 2016	H1 2017	%
Southern Europe	121	144	19%	253	292	15%
Northern Europe	148	158	7%	247	286	16%
Americas	80	75	-6%	134	146	9%
APAM	29	48	64%	55	81	46%
Total	**377**	**425**	**13%**	**689**	**805**	**17%**

Review by division

The **Material Handling & Access (MHA) Division** recorded half-yearly revenue of €563m, up 19% excluding exchange rate impact compared with H1 2016.

The division continued to develop, with activity remaining robust in the construction industry and acceleration in industrial handling. The renewal of the agricultural range has been driving sales. Only results in the mining sector remained stable. New machine orders were up, especially in France where until April, the division had a lot of one-off orders related to the expiry of the special amortization allowance law, and for which €55m of orders placed with a downpayment of 10% will not be delivered until after 2017.

Operating leverage was affected by the drop in the value of the pound, and temporarily blunted by the organisation of production ramp-up, the relative weighting of rental companies over the half-year period and the delayed effect of price rises due to the size of the order book. Operational income of the division was up of €3.7m to €39.5m, accounting for 7,0% of revenue compared with 7,5% in H1 2016.

The **Compact Equipment Products (CEP) Division** recorded revenue of €117m, up by 13% on H1 2016, +6% at constant exchange rates and constant scope.

Division sales benefited from a revival in the North American rental market, as well as robust levels of new machine orders in all regions. CEP ended the half-year period with its highest level of orders for two years.

This recovery has come about amidst tension on the cost of raw materials and labour, and a revaluation of the US dollar that has favoured the division, but which is still too recent and modest to improve the financial profile substantially.

It should be noted that since May, the CEP division – the managerial organisation of which changed in April – now includes the activities of the group's new acquisition in India.

Operational losses for the division stood at -€2,2m, a lower level of losses compared with H1 2016.

With revenue of €125m, the **Services & Solutions (S&S) Division** recorded a +13% increase in sales, +10% at constant exchange rates and constant scope.

Revenue experienced strong growth, due to an acceleration in demand for spare parts and the increase in take-up of the new services that are now available.

The division also reintegrated the spare parts management platform in North America, in an attempt to improve its operational and financial performance.

Boosted by sustained operating leverage, recurring operating income stood at €10.7m, double the level of H1 2016, and accounting for 8.6% of revenue compared with 4.8% a year previously.

Other information

Changes in scope

The financial statements of the company Manitou Equipment India, bought from TEREX, have been incorporated into the consolidated accounts as of 8 May 2017, with revenue of €4.8m.

Post-closing event

On July 25, the Manitou group finalized its acquisition of a majority stake (55%) in the australian dealership LiftRite, specialized in the mining market in Western-Australia.

Litigation

On 22 May 2017, the Manitou group announced that the company JCB filed a claim in France, in the United Kingdom, then in Italy, alleging infringement by the Manitou group of two european patents.

The Manitou group strongly disagree with the allegations contained in the plaintiff's claims and intend to defend himself vigorously against these allegations.

2017 Outlook

Based on the very good half-year results, of a huge demand of the markets and the size of our orderbook, the Group improved its outlook for 2017 and anticipate a growth of its sales revenue above 15%.

As a result, the outlook for the evolution of the recurring operating income is improved, with a growth of approximately 70 to 100 basis points compared to 2016, to reach 6.0% to 6.3% of net sales.

ISIN code: FR0000038606

Indices: CAC All-Tradable, CAC Ind. Engin. CAC Industrials, CAC Mid & Small, CAC Small, Enternext PEA PME 150

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FORTHCOMING EVENT

October 19, 2017 (after market closing): Q3'17 Sales Revenues

The Manitou Group is a global market leader in rough-terrain handling. It designs, manufactures, distributes and services equipment for construction, agriculture and the industry.

The Group's product ranges include all-terrain fixed, rotating and heavy-duty telehandlers, all-terrain, semi-industrial and industrial masted forklifts, wheeled or tracked skid-steer loaders, backhoe loaders, access platforms, truck-mounted forklifts, warehousing equipment and attachments.

Through its iconic brands - Manitou, Gehl, and Mustang - and its network of 1,400 dealers worldwide, the Group offers the best solutions by creating optimum value for its customers.

With its registered office in France, in 2016 the Group recorded a revenue of €1.3 billion in 140 countries, and it employs 3,600 people all committed to delivering customer satisfaction.